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ABSTRACT

Information on sources of student financial aid for the 1985-1986 academic year is provided, along with an overview of need analysis in general, and the American College Testing Program (ACT) system. This guide, which is designed for counselors, provides answers to more than 100 frequently-asked questions about financial aid, and a description of ACT financial aid guidance materials. Nine federal programs, six state programs, and three other programs that provide financial support for students are briefly described. After explaining The Uniform Methodology for determining students' financial need, attention is directed to advantages for families and agencies of the ACT's Student Need Analysis Service, which is based on the Uniform Methodology. The following ACT financial aid documents are described: Family Financial Statement (FFS), Student Data Form, Comprehensive Financial Aid Report, and Student Financial Aid Report (SFAR). A sample SFAR and instructions are provided, along with a FFS. The questions/answers about financial aid include general issues concerning eligibility and deadlines, dependency status, information on savings and trust funds, divorced parents and step-parents, and changes in circumstances (e.g., family moves, marriages, and deaths). A referenced index of FFS questions is included, along with a glossary of financial aid terms. (SW)

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A COUNSELOR'S GUIDE TO FINANCIAL AID

FOR THE 1985-86 ACADEMIC YEAR

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ACT 25 YEARS OF SERVICE TO EDUCATION

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PREFACE

High school students face many uncertainties as they look ahead and plan for the future. One of the most common, and complex, of these is the problem of how to meet the rising cost of post-secondary education. *A Counselor's Guide to Financial Aid* is published annually by The American College Testing Program (ACT) so that you, the high school guidance counselor, can help students and parents resolve this problem successfully.

In the pages that follow you'll find up-to-date information about the numerous sources of financial aid, an overview of need analysis in general and ACT's system in specific, answers to more than one hundred frequently-asked questions about financial aid, and a glossary of financial aid terms. Also included is a description of ACT financial aid guidance materials. Some of these materials can be used with groups of students and parents; most are available free of charge.

A Counselor's Guide can broaden your knowledge of financial aid philosophies, procedures, and forms. Please read it carefully, and keep it handy for reference. If you have further questions, don't hesitate to call us. At ACT, our job is to help you serve your students more effectively.

NOTES

FFS QUESTION CHANGES

Though the basic format of the FFS is unchanged from previous versions, there are a number of changes in the questions. Those changes are identified as follows:

Section A—STUDENT'S INFORMATION

- 1984-85 FFS question 14 asked if the student was a veteran. That question was deleted because the response was not used. 1985-86 FFS question 14 asks if the student's spouse will attend college at least half-time in 1985-86.

Section B—STUDENT'S STATUS and Section D—STUDENT (& Spouse, if married)

- The directions to the right of Section B and at the top of page 3 have been modified to encourage dependent students to complete Section D.

Section C—STUDENT'S (& SPOUSE'S) FINANCIAL STATEMENT

- Question 20, Adjusted Gross Income, has been changed from a five-digit to a six-digit field.
- 1984-85 FFS question 23 asked for the self-supporting student's state and local income taxes paid. That question was deleted because the response was not used in any calculations. 1985-86 FFS question 23 asks for the 1984 married couple deduction.

Section F—PARENTS' FINANCIAL STATEMENT

- Question 52, Adjusted Gross Income, has been changed from a five-digit to a six-digit field.
- 1984-85 FFS question 56 asked for the parents' state and local income taxes paid. That question was deleted because the response was not used in any calculations. 1985-86 question 56 asks for the 1984 married couple deduction.

Section G—OTHER STUDENT INFORMATION AND FEDERAL STUDENT AID RELEASE

- 1984-85 FFS question 76 asked for the student's Social Security educational benefits. That question was deleted because Social Security educational benefits expire in May 1985.
- 1985-86 questions 76 and 77 ask for the student's veterans benefits: GI Bill & Dependent Education Benefits in 76 and VA Contributory Education Benefits (VEAP) in 77. In 1984-85, this information was collected in one question.
- Question 82 is new and asks where the student will live while attending college.

The Student Financial Aid Report (SFAR) remains essentially unchanged. The title at the top left front of the SFAR that read "ACT Codes Requested" now reads "ACT Codes Most Recently Requested." This change was made to clarify for the student that schools are listed there as a result of their most recent request and not as a result of previous requests.

MISCELLANEOUS

Fees for 1985-86 did not increase, they remain the same as 1984-85 fees:

FFS - $6.00 for first report
$3.00 for each additional report

SFAR - $4.00 for first report
$3.00 for each additional report

FFS colors for 1985-86 are blue and brown. Blue, the dominant color, is also the color of 1985-86 SFARs and CFARs.

A copy of the 1985-86 FFS (without instructions) has been added to this guide for your reference. This is a draft copy because at the time this guide was prepared the FFS had not completed its way through the federal clearance process. However, we anticipate no changes made to this draft version.

ACT FAMILY FINANCIAL STATEMENT (FFS) 1985-86

PAGE 1

R

- Don't complete this form before January 1, 1985, or after May 1, 1986.
- **Use only a soft (No. 2) lead pencil. Don't use ink anywhere on the form.**
- Erasures can cause errors. See the instruction on how to correct them.
- Avoid mistakes and delays! Read the instruction for each question.

WARNING: If you use this form to establish eligibility for federal student aid and you purposely give false or misleading information on this form, you may get a $10,000 fine, a prison sentence, or both.

A. STUDENT'S INFORMATION

1 Student's name (use a soft lead pencil only)

Last Name | First Name | MI

2,3 Student's permanent mailing address (continued in questions 4 and 5); mail will be sent to this address.

House No., St., & Apt. No.; "PO Box" & No.; or "RR" & No. | City

STATE CODES

AL 01 AK 02 AZ 03 AR 04 CA 05 CO 06 CT 07 DE 08 DC 09 FL 10 GA 11 HI 12 ID 13 IL 14 IN 15 IA 16 KS 17 KY 18 LA 19 ME 20 MD 21 MA 22 MI 23 MN 24 MS 25 MO 26 MT 27 NE 28 NV 29 NH 30 NJ 31 NM 32 NY 33 NC 34 ND 35 OH 36 OK 37 OR 38 PA 39 RI 40 SC 41 SD 42 TN 43 TX 44 UT 45 VT 46 VA 47 WA 48 WV 49 WI 50 WY 51

CN 53 MX 54

AS 51 GU 53 PR 54 TT 65 VI 66 DM 67

4 State code

5 Zip code

6 Student's Social Security number

7 Student's date of birth

Month: Jan, Feb, Mar, Apr, May, Jun, July, Aug, Sep, Oct, Nov, Dec | Day | Year

8 This student is

- a. A U.S. citizen
- b. An eligible noncitizen (see instructions)
- c. Neither of the above (see instructions)

9 Will the student have a first Bachelor's degree by July 1, 1985?

- Yes
- No

10 The student is

- Unmarried (single, divorced, or widowed)
- Married
- Separated

11 Student's expected year in college during 1985-86 (mark only one)

- 1st (freshman)
- 2nd (sophomore)
- 3rd (junior)
- 4th (senior)
- 5th (undergraduate)
- First year graduate or professional (beyond a Bachelor's degree)
- Continuing graduate or professional

12 Student's state of legal residence (see list in left margin)

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2

7

8

PAGE 2 DO NOT STAPLE OR USE TAPE ON THIS FORM

A. (Continued)

13 How many dependent children does the student have?

None, 1, 2, 4, 5, 6, 7, 8, 9

14 Will the student's spouse be attending college at least half-time during 1985-86?

Yes, No

B. STUDENT'S STATUS

Read the instructions for Section B to find out who counts as the student's parent before you answer questions 15, 16, and 17.

If you leave any question blank, it will be counted as "Yes."

	15 Did or will the student live with the parents for more than six weeks (42 days)		16 Did or will the parents claim the student as a U.S. income tax exemption		17 Did or will the student get more than $750 support from the parents	
	in 1984?	in 1985?	in 1984?	in 1985?	in 1984?	in 1985?
Yes						
No						

STOP! *CHOOSE ONE CATEGORY BELOW.*

UNMARRIED STUDENTS

If you answered "Yes" to any of the questions in Section B, skip Section C below and complete pages 3 and 4 of this form. Start with Section D, question 40.

If you answered "No" to all 6 questions in Section B, complete Section C below and go on to page 4; skip page 3 (leave it completely blank).

MARRIED STUDENTS

If you answered "Yes" to any of the questions in Section B for the year 1985, skip Section C below and complete pages 3 and 4 of this form. Start with Section D, question 40.

If you answered "No" to the 3 questions in Section B for the year 1985, complete Section C below and go on to page 4; skip page 3 (leave it completely blank).

NOTE: ALL STUDENTS MUST COMPLETE PAGE 4.

C. STUDENT'S (& SPOUSE'S) FINANCIAL STATEMENT—Round all figures to whole U.S. dollars; don't write in cents.

18 The following 1984 U.S. income tax return figures (questions 19-23) are

From a completed return

Estimated

Not given. Student/Spouse will not file a 1984 return (go to question 24 skip questions 19 through 23)

You must read the instructions to find the correct 1984 IRS Form 1040, 1040A, or 1040EZ lines for questions 19 through 23. Don't guess! The answers may be different than you think!

19 1984 Total number of exemptions

20 Read the instruction for question 20

21 1984 U.S. income tax paid

22 1984 Itemized deductions (from Schedule A)

23 1984 Married couple deduction

24,25 1984 income earned from work by — Student; Spouse

26,27,28 1984 Untaxed income & benefits — Social Security benefits (don't include any educational benefits); Aid to Families with Dependent Children (AFDC or ADC); Other untaxed income & benefits (use worksheet in the instructions)

29 1984 Medical and dental expenses not paid by insurance

30 1984 Elementary, junior high, & high school tuition paid

31 Cash, savings, and checking accounts

32,33 Home (renters write in "0") — What is it worth now? / What is owed on it?

34,35 Other real estate & investments — What is it worth now? / What is owed on it?

36,37 Business and farm — What is it worth now? / What is owed on it?

38 The total size of the student's household during 1985-86 will be

Include the student, student's spouse, and dependent children. Include other people only if they meet the definition in the instructions.

39 Of the number in question 38, how many will be in college during 1985-86?

Include the student who is applying for aid and others who will be in college at least half time.

PAGE 3 USE PENCIL ONLY - DO NOT WRITE NOTES ON THIS FORM

If you are completing this page, start with Section D, question 40.

D. STUDENT (& Spouse, if married)

See the instructions for directions on how to figure out the answers to questions 40, 41, 42, and 43.

40	41	42	43
Read the instruction for question 40	Student's (& spouse's) 1984 U.S. income tax paid	Student's (& spouse's) 1984 untaxed income & benefits	Student's (& spouse's) savings and net assets

E. PARENTS' INFORMATION

If your parents are separated or "Divorced, or your parent is widowed or single, or if you have a stepparent, you must read the instructions for Section E before going on.

44	45	46	47	48	49
The parents' current marital status is	The age of the older parent is	The parents' state of legal residence is (see list on page 1, left margin)	The total size of the parents' household during 1985-86 will be	Of the number in question 47, how many will be in college during 1985-86?	Of the number in question 48, how many of the student's parents will be in college at least half-time during 1985-86?
○ Single ○ Married ○ Divorced ○ Separated ○ Widowed			Include the student even if he/she doesn't live at home. Include parents and parents' other dependent children. Include other people only if they meet the definition in the instructions.	Include the student who is applying for aid and others who will be in college at least half time.	

F. PARENTS' FINANCIAL STATEMENT—Round all figures to whole U.S. dollars; don't write in cents.

50 The following 1984 U.S. income tax return figures (questions 51-56) are

○ From a completed return
○ Estimated
○ Not given. Parents will not file a 1984 return (go to question 57, skip questions 51 through 56)

You must read the instructions to find the correct 1984 IRS Form 1040, 1040A, or 1040EZ lines for questions 51 through 56. Don't guess! The answers may be different than you think!

51	52	53	54	55	56
1984 Total number of exemptions	Read the instruction for question 52	1984 U.S. income tax paid	1984 Payments to an IRA and/or Keogh	1984 Itemized deductions (from Schedule A)	1984 Married couple deduction

57,58		59,60,61		
1984 Income earned from work by		1984 Untaxed income & benefits		
Father	Mother	Social Security benefits (don't include any educational benefits)	Aid to Families with Dependent Children (AFDC or ADC)	Other untaxed income & benefits (use worksheet on the instructions)

62	63	64	65,66		67,68		69,70		71
1984 Medical and dental expenses not paid by insurance	1984 Elementary, junior high, & high school tuition paid (exclude amount for the student)	Cash, savings, and checking accounts	Home (renters write in "0")		Other real estate & investments		Business and farm		Parents expected 1985 taxable and untaxed income & benefits
			What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?	What is it worth now?	What is owed on it?	

PAGE 4 DO NOT FOLD OR STAPLE THIS FORM

G. OTHER STUDENT INFORMATION AND FEDERAL STUDENT AID RELEASE

72,73 Student's taxable income (don't include student aid)
- Summer 1985 (3 months)
- School yr. 1985-86 (9 months)

74,75 Spouse's taxable income (don't include student aid)
- Summer 1985 (3 months)
- School yr. 1985-86 (9 months)

Expected income & benefits for July 1, 1985–June 30, 1986.

76,77 Veteran's benefits
- GI Bill & Dependent Educ. Benefits: Amount per mo. | No. of months
- VA Contributory Benefits (VEAP): Amount per mo. | No. of months

78 Other untaxed income & benefits of student (& spouse) (see instructions)

79 Student's date of birth (complete the same as question 7, page 1)
- Month: Jan, Feb, Mar, Apr, May, Jun, July, Aug, Sep, Oct, Nov, Dec
- Day
- Year

80 Do you give ACT permission to send information from this FFS to the U.S. Department of Education? (Answer "Yes" if you want to be considered for the Pell Grant, Supplemental Educational Opportunity Grant, College Work-Study, National Direct Student Loan, or Guaranteed Student Loan Program.)
- Yes
- No

81 Do you give the U.S. Department of Education permission to send family and financial information from this FFS to:

a. the financial aid agency in your state?
- Yes
- No

b. the first college listed in question 63?
- Yes
- No

Note: Answering "Yes" to 81a. or 81b. will not meet the requirements of most states and colleges for applying for financial aid. (see instructions)

82 Where will you live while attending college during 1985-86? (Answer this question for the college you are most likely to attend. Mark only one.)
- With parents
- Campus housing
- Off campus

H. TELEPHONE

Telephone number where you may be reached (optional)

Area Code / Number

REMINDERS

1. Please check to make sure that every question has been answered (except those in sections you've been told to skip).
2. ERASURES: If you have erased any oval, be sure that the oval for the correct answer (or the zero oval) has been blackened in that column. Otherwise, the computer may read the erasure as your answer.
3. Make sure that your name and address are accurately entered on page 1 so that ACT, the U.S. Department of Education, and the colleges and programs can contact you.
4. Be sure you are considered for all the money for which you qualify. You are encouraged to apply for federal student aid by answering "Yes" to question 80. You should also apply to each college you are considering.
5. Don't forget to sign this form and to have your parents sign it if their information is given.
6. Keep the FFS instruction booklet. You will need to refer to it later.

I. REQUEST FOR REPORTS, CERTIFICATION, AND SIGNATURES

83 You must list the ACT codes of those colleges and programs to receive this report (see the ACT code listing in the instruction booklet)
- 1st Code
- 2nd Code
- 3rd Code
- 4th Code

One Code Fee: $6.00 | Two Codes Fee: $9.00 | Three Codes Fee: $12.00 | Four Codes Fee: $15.00

84 Signature: Read Certification at right before signing. The student must sign. If page 3 is filled out, at least one parent must also sign. Blacken the oval below for each person signing.
- STUDENT'S SIGNATURE
- STUDENT'S SPOUSE'S SIGNATURE
- FATHER'S SIGNATURE
- MOTHER'S SIGNATURE

CERTIFICATION: All of the information on this form is true and complete to the best of my knowledge. If asked by an authorized official, I agree to give proof of the information that I have given on this form. I realize that this proof may include a copy of my 1984 U.S., state, or local income tax return. I also realize that if I don't give proof when asked, the student may not get aid.

Don't send your tax forms to ACT!

Don't staple checks or other materials to this form.

FEE: Make check payable to "ACT," print the student's Social Security number on it, and place it inside the FFS (don't staple or tape). DO NOT SEND CASH.

85 The date this form was completed
- Month: Jan, Feb, Mar, Apr, May, Jun, July, Aug, Sep, Oct, Nov, Dec
- Day
- Year

Don't complete before Jan. 1, 1985

FOR ACT USE ONLY

A B C D E F G H I J K L M

SOURCES OF FINANCIAL AID

With billions of dollars available each year for financial aid, it is no exaggeration to say that any qualified student who really needs money for school can get it . . . if he or she tries. The key is to start early and explore all possibilities thoroughly.

This is where you can help. Early in the fall, talk with your seniors about the major kinds of aid—scholarships and grants, loans and work-study. Urge them to consider all possible sources of aid—public and private, federal, state, institutional, and local. The descriptions below, while by no means inclusive, can help you guide your students toward the aid programs that best match their personal circumstances.

FEDERAL PROGRAMS

The federal government is the nation's largest source of undergraduate financial aid. For further details about these and other federal aid programs, contact the U.S. Department of Education, Washington, D.C., or the USED regional office nearest you.

Pell Grant Program

Largest of the grant programs, this federal entitlement program provides grants to those students who meet the eligibility and need criteria established by the U.S. Congress. For the 1984-85 school year, grants range from $200 to $1,900. The exact amount of a Pell Grant depends on a student's need and the money appropriated by Congress to fund the program in any given year.

The student must be a U.S. citizen, or be in the United States for other than a temporary purpose and intend to become a resident. Eligible students can receive Pell Grants for the period required for completion of the first undergraduate baccalaureate degree.

College Work-Study Program (CWS)

Students who need a job to help pay for their higher education may be eligible for employment by their institutions under the federally supported Work-Study Program. Eligible students must demonstrate financial need.

Students may work part time while enrolled in classes at least half time; they may work full time during the summer or other vacation periods when they do not have classes, if funds are available at their school. Work-study students usually receive the minimum wage, although higher wages may be paid for specialized work. Wages may also be higher if required by state or local regulations. In three months of summer employment under the Work-Study Program, students can save a considerable amount toward their educational expenses.

Supplemental Educational Opportunity Grant Program

These grants are available to a limited number of undergraduate students who demonstrate financial need. Eligible students enrolled on at least a half-time basis and in good academic standing may receive grants of up to $2,000 per year.

National Direct Student Loan Program (NDSL)

Students who demonstrate financial need and who enroll at least half time at a participating institution are eligible for National Direct Student Loans through the institution. Loan limitations are $3,000 for the first two years, $6,000 for the bachelor's degree, and $12,000 total for undergraduate and graduate or professional study.

Repayment and interest (currently 5% per year) begin six months after the student finishes school or drops below half-time enrollment. Repayment may be extended over ten years. Institutions usually require a minimum repayment of $30 per month. Deferments may be granted for any subsequent period in which the student enrolls half time or more.

Guaranteed Student Loan Program (GSL)

A student may borrow from a bank, savings and loan association, credit union, or other lender, and a state or other private nonprofit agency will stand behind the loan. A student whose family adjusted gross income is $30,000 or less may, without undergoing a financial needs test, borrow up to $2,500 a year, to a total of $12,500 for undergraduate study (with a higher limit for students who go on to graduate school or professional study). A student whose family adjusted gross income is greater than $30,000 must undergo a financial needs test. The amount that student may borrow depends on the student's financial need but may not exceed $2,500 a year. An origination fee of 5% of the principal amount of the loan must be paid by the student and normally will be deducted from the loan before it is disbursed. The federal government pays the interest on the loan while the student is in school. Repayment and interest begin six months after the student graduates, leaves school, or drops below half-time enrollment. For a student who obtains a GSL for an academic period that begins on or after September 13, 1983, and who has no outstanding

balance of principal or interest on a previous GSL, the interest rate is 8%. For a student who has an outstanding balance of principal or interest on a previous GSL, the interest rate is 9%.

Auxiliary Loans to Assist Students (also called Parent Loan Program)

A parent, graduate student, or self-supporting undergraduate student may borrow from a bank, savings and loan association, credit union, or other lender, and a state or other private nonprofit agency will stand behind the loan. A parent or graduate student may borrow $3,000 per year to a limit of $15,000. A self-supporting undergraduate may borrow $2,500 per year, less the amount of any GSL received, to a limit of $12,500. The federal government does not pay the interest on the loan while the student is in school. Repayment and 12% interest begin 60 days following the date of loan disbursement.

Nursing Student Loan Program

These loans are available to students who attend approved nursing schools that offer a diploma, an associate degree, a baccalaureate or equivalent degree, or a graduate degree in nursing. The loan may range up to $2,500 per academic year and up to $10,000 for four years of study. Loans are awarded by the institution on the basis of financial need.

Repayment begins nine months after the borrower ceases to be a full-time student, and may be extended over a ten-year period.

Health Professions Student Loan Program

This program is designed to assist students in the fields of medicine, osteopathy, dentistry, veterinary medicine, optometry, pharmacy, and podiatry by providing long-term, low-interest loans.

Eligibility requirements include U.S. citizenship or evidence of intention to become a permanent resident; acceptance for enrollment in a participating institution as a full-time student in a course of study leading to a bachelor of science in pharmacy or a doctorate or equivalent in any of the above fields; and demonstration of need for the loan. Preprofessional students, interns, residents, and students seeking advanced training are not eligible for this program.

A maximum of $2,500 plus tuition may be borrowed for an academic year. Loans are repayable over a ten-year period that begins one year after the student ceases full-time study. Interest accrues at 9% per year during the repayment period. Repayments may be deferred for up to three years for active duty as a member of a uniformed service or as a Peace Corps volunteer, and also until any advanced professional training is completed.

Health Education Assistance Loan Program (HEAL)

This program assists full-time graduate students in eligible HEAL schools of medicine, osteopathy, dentistry, veterinary medicine, optometry, podiatry, public health, pharmacy, or chiropractic, or in programs of health administration or clinical psychology.

STATE PROGRAMS

Many states have had student assistance programs for a number of years. State programs may represent many types of student aid.

Competitive Scholarship Programs

Scholarships are awarded in statewide competition on the basis of academic ability and financial need.

Grant Programs

Need-based grants are made available to students to attend either public or private institutions.

Loan Programs

Loans are made by commercial lenders and guaranteed by the state either through its own program or in conjunction with a loan guarantee agency. Sometimes, a state agency may lend money directly to the student.

Tuition Equalization Programs

Need-based grants are made to students who attend private colleges in the state to help reduce the cost of attending an institution with higher tuition charges.

Educational Opportunity Programs

These programs identify, encourage, and in some cases subsidize students in the state who are economically disadvantaged or academically underprepared for postsecondary education.

Work Programs

Need-based funds provide the opportunity for students to contribute towards their education by earning money while attending school.

OTHER PROGRAMS

In addition to federal and state programs, assistance is available from a variety of other sources, often in the student's home community.

Institutional Programs

Most postsecondary institutions offer student assistance in the form of scholarships, grants, loans, and part-time employment. Institutional aid provides a substantial amount of help for students.

Community Programs

Almost every community has organizations that provide aid to students. They may be churches, clubs, professional associations, civic groups, or community service agencies. The Chamber of Commerce often can help you direct students to these local sources of financial aid.

Foundation, Corporate, and Union Programs

Philanthropic foundations and trusts are a major source of financial aid. In addition, many large corporations and labor unions offer student assistance; this aid often is reserved for children of their employees or members.

AN OVERVIEW OF NEED ANALYSIS

Need analysis is the process of determining whether a student needs financial aid to help pay for his or her postsecondary education—and, if so, how much. Expressed in its simplest terms, need analysis involves calculating the difference between the cost of attending a given institution and the family's ability to meet the cost. This difference is the student's financial need.

THE UNIFORM METHODOLOGY

To ensure consistency and fairness in student financial aid, the major need analysis services follow a consensus model that is called the Uniform Methodology. It was developed in 1974-75 and is refined annually by a consortium of national groups dedicated to the advancement of higher education.

The Uniform Methodology is based on five principles.

1. To the extent that they are able, parents have the primary responsibility to pay for their children's education.
2. Parents will, as they are able, contribute funds for their sons' and daughters' education.
3. Students, as well as their parents, have a responsibility to help pay for their education.
4. The family should be accepted in its present financial condition.
5. A need analysis system must evaluate families in a consistent and equitable manner, while recognizing that special circumstances can and do alter a family's ability to contribute.

The Uniform Methodology is the basis of the ACT need analysis system.

THE FEDERAL FORMULA

The federal government has its own system which is used to determine eligibility for Pell Grants. The contribution expected from a student and his or her parents for the Pell Grant Program may not be the same as for other financial aid programs. Using the information the student and parents provide on the FFS, ACT will calculate the expected family contribution according to the Uniform Methodology, and will calculate an estimated SAI according to the federal formula.

HOW NEED ANALYSIS WORKS

The first step in need analysis under the Uniform Methodology is to calculate the family's ability to pay for education. Three categories of family resources enter into this calculation—parents' income, parents' assets, and student's resources.

In analyzing parents' income, allowances are made for normal living expenses over which the family has little control, such as taxes, medical care, and family maintenance (housing, food, clothing, etc.). These allowances are deducted from the parents' income. A portion of the remaining income is considered available to help pay for education.

Because assets are another measure of financial strength, a portion of the parents' assets is assumed to be available for educational costs. The rest is protected for retirement and other purposes; the amount protected increases with the age of the older parent.

The total parents' contribution toward educational expenses is the sum of reasonable contributions from both income and assets.

The student's contribution then is added to the total parents' contribution to yield the total family contribution. About one-third of the student's assets is expected to be available each year for educational expenses. The student also is expected to contribute from such resources as summer earnings, Veterans Administration benefits, and any other income.

Finally, to arrive at the student's financial need, the total family contribution is subtracted from the cost of attending a specific postsecondary institution. The student's financial need may vary significantly from school to school, due to differences in educational costs. The cost of attending any given institution is the sum of tuition and fees, room and board, travel, books and supplies, and personal expenses. Most schools list these figures in their general catalogs and financial aid brochures. More information is available from the admissions office or financial aid office on each campus.

The following example will give you a better understanding of the major elements of need analysis.

Total Parents' Contribution	$ 740
+ Total Student's Contribution	+980
= Total Family Contribution	$1,720
Cost of Attending Institution "A"	$5,150
- Total Family Contribution	-1,720
= Financial Need	$3,430

In this example, the student's financial need of $3,430 probably would be met with a combination of scholarships or grants, loans, and employment. The combination of financial aid resources is called an "aid package."

Of course, any family's financial circumstances can change unexpectedly, for better or worse. If this happens to one of your students who has applied for aid, have the student notify the college financial aid office immediately so that the aid package can be adjusted. No student should receive more financial aid than he or she really needs; nor should any student have to pass up college because of unforeseen financial difficulties.

For a more complete description of need analysis, see the sample calculation in ACT's *Applying for Financial Aid*.

THE ACT STUDENT NEED ANALYSIS SERVICE

ACT's Student Need Analysis Service collects financial data and other information from the student and parents, analyzes their financial need, and reports the results to the institutions and agencies requested by the student. ACT does not make award decisions or distribute funds. These responsibilities always rest with the institution or agency.

The ACT system adheres to the principles and procedures of the Uniform Methodology, and offers a number of advantages both for students and parents and for institutions and agencies.

- Simplicity: Students can use the ACT system to apply for all types and sources of aid, including Pell Grants, institutional aid, and, in many cases, state aid.
- Consistency: To ensure fairness and uniformity, the ACT system analyzes all families according to the same standards.
- Flexibility: While maintaining consistency, the ACT system takes into account the uniqueness of each family's financial situation.
- Validity: The ACT system computes a family contribution and a financial need that are reasonable for each family.
- Efficiency: Fast processing (2 weeks or less for properly completed forms) and high standards of quality control enable the ACT system to deliver prompt and accurate reports to institutions.
- Sensitivity: The ACT system lets families point out and explain any unusual financial circumstances, and allows the institution's aid officer to exercise professional judgment in such matters.

ACT FINANCIAL AID DOCUMENTS

Family Financial Statement (FFS)

The student begins the process of applying for financial aid by picking up ACT's Family Financial Statement (FFS) packet. The packet contains an FFS and an instruction booklet with code numbers for about 4,000 institutions and agencies that accept ACT need analysis reports. The FFS packet may also contain a Student Data Form (see below).

Your high school will receive FFS packets in late fall. However, please caution your students not to fill out the FFS until after January 1. This date is meant to encourage students and parents to complete their federal income tax returns before filling out the FFS; some of the financial information on the FFS should be copied directly from the federal tax return. You might want to consider distributing FFS packets when students leave for break in December, or when they return to school in January. ACT will not process any FFS signed or received before January 1.

The FFS is ACT's core input document. It collects all the data required to compute financial need for institutional aid and Pell Grants, as well as additional data that is useful to college financial aid officers. In several states, the FFS collects application information for state scholarship and grant programs.

The FFS may be used to apply for a Pell Grant in addition to other student aid. However, it may not be used to apply only for a Pell Grant.

When filling out the FFS, the student may designate up to four institutions and agencies to receive need analysis reports. Fees for reports ordered on the FFS are as follows: one report, $6.00; two reports, $9.00; three reports, $12.00; four reports, $15.00. The student must enclose full payment with the FFS. There is no charge to the student for ACT to release data to the U.S. Department of Education.

Because ACT uses high-speed scanning equipment to "read" the FFS, the student should not enclose tax forms, letters, or other extraneous materials. They require special handling and may delay processing at ACT. Instead, the student should send them directly to the institution or agency.

Student Data Form (SDF)

In most states, a Student Data Form (SDF) is included in the FFS packet. The SDF collects noncomputerized information and gives students and parents a chance to explain any unusual circumstances that affect their finances. The student and parents fill out the SDF and mail it to ACT along with the FFS. ACT sends photocopies of the SDF to the institutions and agencies that the student requested in question 1 on the SDF.

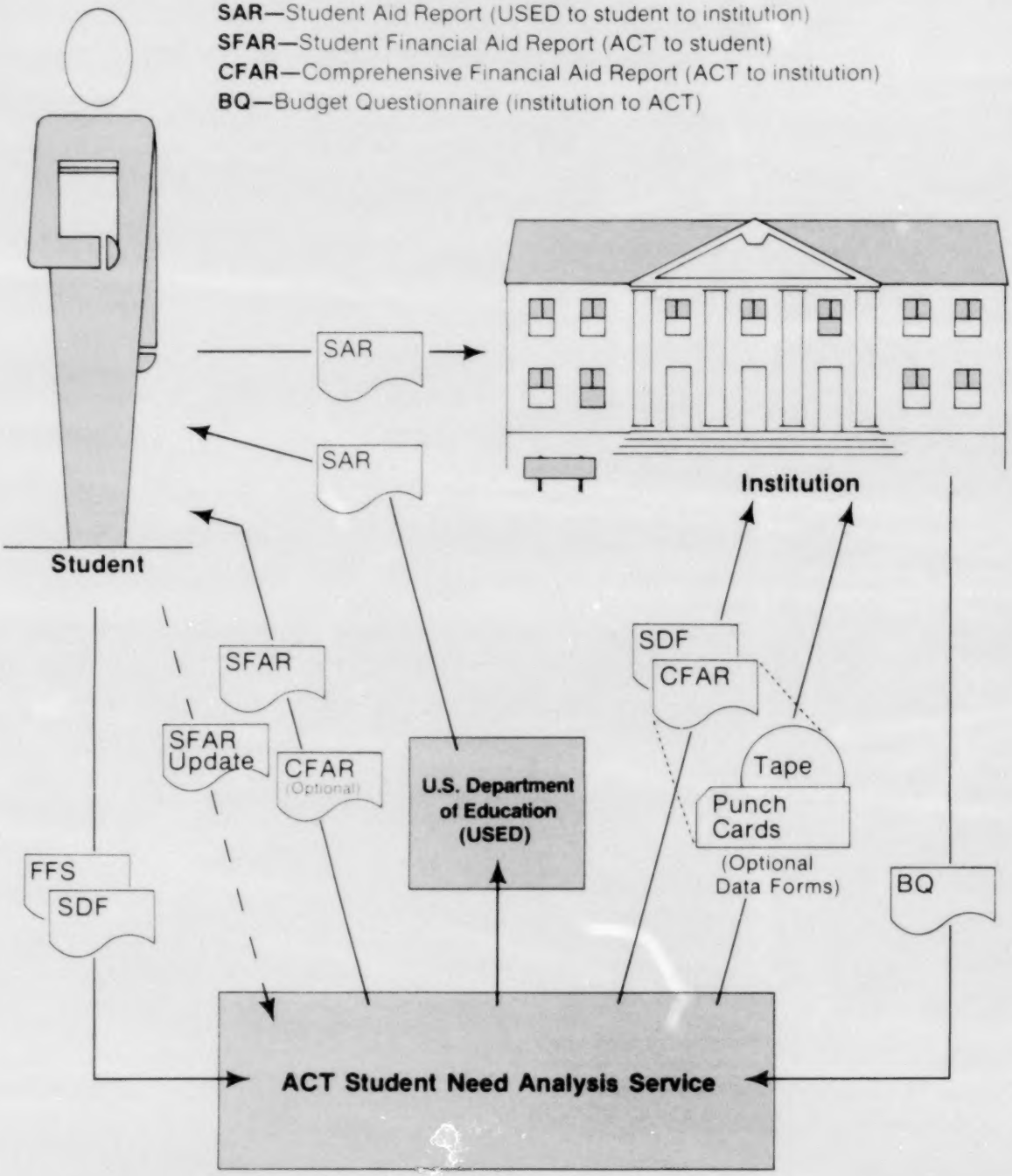
A student who wants the SDF sent only to one institution may send the completed SDF directly to that institution.

Comprehensive Financial Aid Report (CFAR)

The Comprehensive Financial Aid Report (CFAR) is ACT's report to the institutions and agencies that the student requests on the FFS. It contains all of the information that the student and parents submitted on the FFS, the results of the Uniform Methodology, and an estimate of the student's eligibility for a Pell Grant.

Document Flow in the ACT Need Analysis System

FFS—Family Financial Statement (student to ACT)
SDF—Student Data Form (student to ACT to institution)
SAR—Student Aid Report (USED to student to institution)
SFAR—Student Financial Aid Report (ACT to student)
CFAR—Comprehensive Financial Aid Report (ACT to institution)
BQ—Budget Questionnaire (institution to ACT)



Student Financial Aid Report (SFAR)

The Student Financial Aid Report (SFAR) is ACT's report to the student. It is sent to the student at the same time that the CFAR is sent to institutions and agencies. The SFAR shows all of the information from the FFS. This lets the student know that ACT has processed the FFS and sent need analysis reports where requested. It also lets the student recheck the FFS information and make corrections or changes, if necessary. All such corrections and changes, and any requests for additional need analysis reports, should be written on the SFAR and mailed back to ACT with the appropriate fee as soon as possible. A delay in submitting new information close to an application deadline could result in loss of an award.

The "ACT Codes Most Recently Requested" section of the SFAR lists the institution and agency codes that the student has requested with his/her most recent ACT transaction. The names of the institutions and agencies are printed beside the codes so the student can make sure that need analysis reports were sent to the right places.

The SFAR may also transmit messages to the student from institutions, agencies, or ACT. For instance, if the student used the FFS to apply for federal funds, the SFAR will bear a statement confirming that the student's financial information has been sent to the U.S. Department of Education for processing.

Student CFAR

ACT offers the student the opportunity to receive a copy of his or her need analysis. A student who wishes to receive a copy of the CFAR is instructed to enter code "7777" as a report request on the FFS or SFAR. In addition to seeing the entire calculation, the student sees any comments or assumptions regarding the analysis which ACT has transmitted to the institutions or agencies. Accompanying the CFAR is a brochure explaining the need analysis calculation and the student expense budgets and alerting the student that institutions and/or agencies may revise some elements of the calculation. Also enclosed is a copy of the tabloid *Applying for Financial Aid*. This CFAR option, which is available for ACT's standard additional report fee, does not in any way replace the SFAR and should not be used to request additional or corrected reports.

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ACT STUDENT FINANCIAL AID REPORT *(SFAR)— 1985-86*

IMPORTANT. PLEASE READ THIS! The information you gave on your 1985-86 Family Financial Statement (FFS) (or latest request) is printed below. Financial aid from your college(s) / program(s) will be based on this information. It is important that it is complete and correct. Be sure to read the instructions on the back of this SFAR and all of the comments printed below. Thank you.

ACT CODES MOST RECENTLY REQUESTED:

6998 - STATE SCHOLARSHIP AGENCY
6999 - MIDSTATE UNIVERSITY **SEE TAX NOTE BELOW**
APPLICANTS WILL BE NOTIFIED OF THEIR FINANCIAL AWARDS BY MAY 1.

-PLEASE SEE INSTRUCTION A.4 ON THE BACK OF THIS SFAR.
-RECHECK ITEMS 50-61 BY REFERRING TO PARENTS' 1984 U.S. INCOME TAX RETURN AND OTHER RECORDS.
-THIS SFAR IS A RESULT OF YOUR FFS. YOU MUST COMPLETE SECTION J BELOW IF YOU WANT TO MAKE CORRECTIONS OR REQUEST ADDITIONAL REPORTS. INCLUDE THE APPROPRIATE FEE. IF YOUR SFAR IS CORRECT AND YOU DO NOT WANT TO REQUEST ADDITIONAL REPORTS, PLEASE KEEP IT FOR YOUR RECORDS.

NOTE: SEND A SIGNED COPY OF YOUR PARENTS' 1984 U.S INCOME TAX FORM TO CODE(S): 6999 WHEN COMPLETED. PRINT YOUR FULL NAME AND SOC. SEC. # ON IT. DO NOT SEND IT TO ACT!

FEDERAL STUDENT AID STATUS: NOTE: ACT CANNOT SEND CORRECTIONS TO THE U.S. DEPARTMENT OF EDUCATION. SEE THE BACK OF THIS FORM FOR FURTHER INSTRUCTIONS.
YOUR FINANCIAL DATA HAVE BEEN SENT TO THE U.S. DEPARTMENT OF EDUCATION. YOU WILL RECEIVE A SAR FROM THEM. IF YOU HAVE CORRECTIONS TO BE MADE TO YOUR SAR SEE PARAGRAPH B ON THE BACK OF THIS SFAR.

A. STUDENT'S INFORMATION

1 SOCIAL SECURITY NUMBER	2 DATE OF BIRTH	3 U.S. CITIZEN	4 BACH. DEGREE	5 MARITAL STATUS	6 COLLEGE YEAR	7 LEGAL STATE	8 NO. OF CHILDREN	9 SPOUSE IN COLLEGE
123-45-6789	03/01/67	YES	NO	UNMARRIED	1ST	CO	0	

B. STUDENT'S STATUS—blanks counted as "Yes."

10 LIVES WITH PARENTS OVER SIX WEEKS IN	11 PARENTS CLAIM AS U.S. TAX EXEMPTION IN	12 GOT MORE THAN $750 FROM PARENTS IN			
'84	'84	'84	'85	'84	'85
YES	YES	YES	YES	YES	YES

C. STUDENT'S (& SPOUSE'S) FINANCIAL STATEMENT— MUST BE COMPLETED IF ALL SIX ANSWERS IN SECTION B ARE "NO" (OR IF YOU ARE MARRIED AND ANSWER "NO" TO ALL QUESTIONS FOR THE YEAR 1985)

13 '84 INCOME COMPLETED	14 '84 EXEMPTIONS	15 '84 ADJUSTED GROSS INCOME	16 '84 U.S. INCOME TAX PAID	17 '84 ITEMIZED DEDUCTIONS	18 '84 MARRIED COUPLE DEDUCTION	19 '84 INCOME FROM WORK BY STUDENT	19 '84 INCOME FROM WORK BY SPOUSE	20 '84 UNTAXED INCOME & BENEFITS SOCIAL SECURITY	20 '84 UNTAXED INCOME & BENEFITS AFDC OR ADC	20 '84 UNTAXED INCOME & BENEFITS OTHER	21 '84 MEDICAL/DENTAL EXPENSES	22 '84 ELEM. OR H.S. TUITION
		$	$	$	$	$	$	$	$	$	$	$

23 CASH, SAVINGS & CHECKING ACCOUNTS	24 HOME PRESENT VALUE	24 HOME PRESENT DEBT	25 OTHER REAL ESTATE & INVESTMENTS PRESENT VALUE	25 OTHER REAL ESTATE & INVESTMENTS PRESENT DEBT
$	$	$	$	$

26 BUSINESS & FARM PRESENT VALUE	26 BUSINESS & FARM PRESENT DEBT	27 STUDENT FAMILY IN '85-86 SIZE	27 STUDENT FAMILY IN '85-86 NUMBER IN COLLEGE
$	$	.	.

TO THE PARENTS OF
RICHARD FRANK
200 EAST LARKSPUR
DURANGO, CO 81300

NOTE: Sections D, E, and F must be completed if any of the six answers in Section B is "Yes" (or if you are married and answer "Yes" to any of the questions FOR THE YEAR 1985).

D. STUDENT (& SPOUSE)

40 '84 AFDC/ADC BENEFITS	41 '84 U.S. INCOME TAX PAID	42 '84 UNTAXED INCOME BENEFITS	43 SAVINGS & NET ASSETS
$ 700	$ 0	$ 0	$ 800

E. PARENTS' INFORMATION

44 PARENTS' CURRENT MARITAL STATUS	45 AGE OF THE OLDER PARENT	46 PARENTS' STATE OF LEGAL RESIDENCE	47 '85-86 PARENTS' FAMILY IN '85-86 SIZE	47 '85-86 PARENTS' FAMILY IN '85-86 NUMBER IN COLLEGE	47 '85-86 PARENTS' FAMILY IN '85-86 PARENTS IN COLLEGE
MARRIED	53	CO	05	2	0

F. PARENTS' FINANCIAL STATEMENT

48 '84 INCOME COMPLETED	49 '84 EXEMPTIONS	50 '84 ADJUSTED GROSS INCOME	51 '84 U.S. INCOME TAX PAID	52 '84 PAYMENTS TO AN IRA OR KEOGH	53 '84 ITEMIZED DEDUCTIONS	54 '84 MARRIED COUPLE DEDUCTION
EST.	5	$ 29500	$ 3053	$ 0	$ 2000	$

55 '84 INCOME FROM WORK BY FATHER	55 '84 INCOME FROM WORK BY MOTHER	56 '84 UNTAXED INCOME & BENEFITS SOCIAL SECURITY	56 '84 UNTAXED INCOME & BENEFITS AFDC OR ADC	56 '84 UNTAXED INCOME & BENEFITS OTHER
$ 20500	$ 9000	$ 0	$ 0	$ 0

57 '84 MEDICAL/DENTAL EXPENSES	58 '84 ELEM. OR H.S. TUITION	59 CASH, SAVINGS & CHECKING ACCOUNTS	60 HOME PRESENT VALUE	60 HOME PRESENT DEBT	61 OTHER REAL ESTATE & INVESTMENTS PRESENT VALUE	61 OTHER REAL ESTATE & INVESTMENTS PRESENT DEBT	62 BUSINESS & FARM PRESENT VALUE	62 BUSINESS & FARM PRESENT DEBT	63 PARENTS' EXPECTED '85-86 TOTAL INCOME & BENEFITS
$ 140	$ 0	$ 2500	$ 60000	$ 20000	$ 0	$ 0	$ 0	$ 0	$ 31000

G. OTHER STUDENT INFORMATION—must be completed by all students.

64 STUDENT'S EXPECTED TAXABLE INCOME SUMMER '85	64 STUDENT'S EXPECTED TAXABLE INCOME SCHOOL YR '85-86	65 SPOUSE'S EXPECTED TAXABLE INCOME SUMMER '85	65 SPOUSE'S EXPECTED TAXABLE INCOME SCHOOL YR '85-86	EXPECTED UNTAXED INCOME & BENEFITS FOR JULY 1 '85 THROUGH JUNE 30 '86 66 SOC. SEC. & DISAB. BEN. AMOUNT PER MO.	66 SOC. SEC. & DISAB. BEN. NO. OF MONTHS	67 VETS. CONTR. DISAB. BEN. AMOUNT PER MO.	67 VETS. CONTR. DISAB. BEN. NO. OF MONTHS	68 OTHER INCOME	69 STUDENT'S HOUSING ARRANGEMENTS DURING '85-86 WHILE IN COLLEGE
$ 1000	$ 0	$	$	$ 0	. 00	$ 0	. 00	$ 0	ON CAMPUS

I. FFS SIGNED/DATE

70 SIGNED BY	71 DATE ORIGINAL FFS COMPLETED
A FM	01/15/84

J. MY REQUEST FOR ADDITIONAL OR CORRECTED REPORTS

I WANT ADDITIONAL OR CORRECTED REPORTS SENT TO THE FOLLOWING COLLEGES OR PROGRAMS. I AM ENCLOSING THE CORRECT FEE PRINTED BELOW FOR THE NUMBER OF REPORTS I WANT ACT TO SEND. I CERTIFY THAT THE INFORMATION ON THIS SFAR IS TRUE AND COMPLETE TO THE BEST OF MY KNOWLEDGE.

NAME OF COLLEGE OR PROGRAM (PLEASE PRINT)	CITY	STATE	ACT CODE		FEE
MIDSTATE UNIVERSITY	CLEARVIEW	IA.	6999	One Report:	$ 4.00
				Two Reports:	$ 7.00
				Three Reports:	$10.00
				Four Reports:	$13.00

SIGNATURE: X Richard Frank DATE: 2/20/85

NOTE: Additional and corrected report requests must be received at ACT by May 31, 1986.

ACT USE ONLY

I	E	M	A	B	F	P	C

CFAR MSG 1	CFAR MSG 2	SFAR MSG 1	SFAR MSG 2

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STUDENT FINANCIAL AID REPORT (SFAR) INSTRUCTIONS

A. WHY THIS SFAR IS SENT TO YOU AND HOW TO READ IT

1. Receipt of this SFAR confirms that we received and processed your latest request (either the 1985-86 Family Financial Statement (FFS) or SFAR request). The fee you submitted with that request paid for ACT reports to be sent to the college(s)/program(s) listed in the "ACT CODES MOST RECENTLY REQUESTED" area on the top front of this SFAR. A statement on the front of the SFAR will also tell you if ACT sent your information to the U.S. Department of Education if you requested us to do so.

2. The SFAR may also give you messages from ACT and/or your college/program. College/program messages appear directly below their name in the "ACT CODES MOST RECENTLY REQUESTED" area. A "TAX NOTE" comment from your college/program may also appear on the front of the SFAR.

3. You should carefully review the information on the SFAR. All of the information computer printed in Sections A-G of the SFAR was taken from your FFS or previous request as you listed it. If you need to make corrections or request additional reports, use this SFAR following the instructions in B and C which follow.

4. If a needed answer was unclear or left blank, we may have assumed a standard value for the answer. Please check to make sure that all needed information was given. If you have to make any corrections, be sure to give us answers to all needed questions that are blank.

5. **If you don't need to make corrections or request additional reports, keep this SFAR for your records.**

B. HOW TO MAKE CORRECTIONS

1. Before you make any corrections, get the instruction booklet that came with your FFS. The answers on this SFAR are numbered the same as the FFS questions.

2. If there are errors in the information, cross out the incorrect answer on the SFAR and print the correct answer above it. Print clearly so that we can read it. You don't need to correct an answer if the change is less than $100.

3. If you make corrections to information in Section B, Student's Status, you must be certain that all information required is provided in the sections that follow Section B and that appropriate signatures are included. Refer to the instruction booklet that came with the FFS to see what new information (if any) you will now be required to provide as a result of your correction(s) to Section B. Please remember that if you are providing parents' information (Sections E and F) for the first time, your parents (at least one) must sign on the appropriate line in the "Student/Parent Certification Statement" section below. If you are providing information about your spouse (in Section C) for the first time, your spouse must sign on the appropriate line in the "Student/Parent Certification Statement" section below.

4. ACT is not allowed to send corrections made on the SFAR to the U.S. Department of Education (Pell Grant Program). If you gave ACT permission to send information to the Pell Grant Program, they will send you a Student Aid Report (SAR) on which you can make corrections.

C. HOW TO GET ADDITIONAL OR CORRECTED REPORTS

1. Print the full name, city, state, and ACT code of each college/program to which you want reports sent in Section J on the front of the SFAR. Refer to the instruction booklet that came with your FFS for ACT codes. If your college/program is not listed there, contact them to be sure that the FFS is the proper form for you to use. If so, ask them for their ACT code. Use of other (non-ACT) codes will result in reports being sent to the wrong college or program, or an invalid report. ACT will process all code requests as we receive them.

2. Either you (or your parent) must sign Section J.

3. You **must** enclose the proper fee for the number of reports you are requesting. If you do not enclose a fee, your SFAR will not be processed and will be returned to you. The correct fee amounts are printed in Section J. Make your check payable to "ACT." **Please don't send cash.** To ensure proper credit, print the student's name and social security number on the check or money order. Checks must be written on banks located in the U.S.

4. Staple fee to upper right-hand corner on the **front** of the SFAR.

5. Send the entire SFAR (you may want to keep a copy) and the proper fee to:

   ACT STUDENT NEED ANALYSIS SERVICES
   P.O. BOX 4006
   IOWA CITY, IOWA 52243

6. In 2-3 weeks, ACT will send you a revised SFAR showing your corrections (if any) and where new reports have been sent. If you need to call about the processing of your record, ACT's financial aid number is (319) 337-1200. Sorry, but we cannot accept collect calls.

D. FEDERAL STUDENT AID

If you gave ACT permission to send your information to the U.S. Department of Education, a message on the front of the SFAR confirms that this has been done. They will send you a Student Aid Report (SAR) in six to twelve weeks.

If you did not give this permission and now wish to do so, print "U.S. Department of Education" in Section J on the front, **sign** Section J, and **return** the SFAR to us. We will then send them the information from your **original** FFS (we can't send changes). **There is no charge for this service.** You can also request additional or corrected ACT reports (as described in Section C above) at the same time; be sure to send the proper fee for these reports.

E. UNUSUAL CIRCUMSTANCES

1. If there are special problems which affect your financial situation, they should be explained to the college. Either visit or write to the college financial aid office to clearly explain your situation. **Don't send this kind of information to ACT:** we do not grant financial aid and are **not** authorized to make decisions about your financial aid.

2. If one of your parents has died or if they have become divorced or separated since you filled out the FFS, refer to the instruction booklet that came with your FFS to see whose information you should now report. A "parent" is defined as your mother, father, adoptive parent, or a court-appointed legal guardian who is required by the court to support you with his or her own financial resources.

F. REFUNDS

If you sent more than the correct fee with your last request, ACT will not automatically send you a refund. Rather, we will reduce the fees shown in Section J of this SFAR to reflect your overpayment. If you don't need new ACT reports, you may write for a refund. There is a $1.00 service charge deducted to process refunds.

STUDENT/PARENT CERTIFICATION STATEMENT

Note: Sign here if you are told to do so on the other side.

All the information on this SFAR is true and complete to the best of my knowledge. If asked by an authorized official, I agree to give proof of the information I have given. I realize that this proof may include a copy of my 1984 U.S. or state income tax return. I also realize that if I do not give proof when asked, the student may not get aid.

Don't send letters or tax forms to ACT.

_____
Student's signature

_____
Student's spouse's signature

_____
Father's signature

_____
Mother's signature

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FINANCIAL AID QUESTIONS AND ANSWERS

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General questions concerning eligibility, deadlines, etc.

II. The FFS and SFAR 17
Completion of the FFS, processing, corrections, Pell Grant

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V. Parental Information 20
FFS page 3, Section F, includes assets, foreign currency, divorced parents, stepparents, signatures

VI. Changes in Circumstances 22
Family moves, marriages, deaths

I. FINANCIAL AID

1. **When should I apply for aid?**
   You should apply as soon after January 1 as possible, after your parents have completed their U.S. 1984 income tax return.

2. **Why do I have to wait until January 1 to file the FFS?**
   Under an agreement with the U.S. Department of Education, ACT is required to return all FFSs received before January 1. Families have a better opportunity to provide accurate income and tax information on the FFS if the taxable year for which they are reporting is completed. This saves families and schools both time and money in correcting wrong information.

3. **Is financial aid available only to poor people?**
   No. Financial aid is intended both to remove financial barriers for families who cannot afford the cost of an education beyond high school and to fill in the gap for families who can afford only part of the cost.

4. **Are noncitizens eligible for financial aid?**
   Regulations vary among programs. With federal funds, a noncitizen who is in the U.S. as a permanent resident is eligible for assistance. A complete definition of eligible noncitizens is in the FFS instructions for question 8. Noncitizens in the U.S. on a temporary or student visa normally are not eligible for financial aid unless a particular institution has its own monies set aside for this purpose.

5. **I missed the state scholarship deadline. Can I still apply for aid?**
   Yes. Institutions rarely have the same deadlines for aid as state grant programs. However, the institution may calculate how much state grant you would have been eligible to receive and exclude that amount from a possible award.

6. **Is there some way we can estimate how much money we are going to receive before we fill out the FFS?**
   For a *rough* estimate of how much your family might be expected to contribute, consult ACT's *Applying for Financial Aid*. Subtract your family contribution from the total costs (tuition, fees, books, supplies, room, board, and personal) of attending the institution. This will give you a rough estimate of how much assistance you need.

7. **I have two children going to the same school; do I have to fill out two FFSs?**
   Yes. While the parents' information will be the same, the student information for each applicant will be different. The schools must have a complete record for each student applicant.

8. **When will I get my money?**
   Methods of disbursing financial aid funds vary from campus to campus, but funds are generally paid to students at the start of an academic term or credited to the student's bill.

9. **How do I find out what other aid is available?**
   Your high school counselor and financial aid administrator are the best sources of information. A variety of financial aid is provided by state agencies, local community groups, private foundations, corporations, etc. The kinds of aid, amounts, qualifications, and application procedures vary widely.

10. **Who should I call for more special financial aid information?**
    The office of financial aid at each school where you plan to apply.

11. **My parents have saved for my college education. Aren't they being penalized for their savings?**
    The need analysis performed expresses the belief that the family has the primary responsibility for educating their children. Normally, only 2% to 5% of parental savings is expected as Parents' Contribution. Because your family has saved for your education, you will probably not have the greater loan and work burden that students from families without savings will have to assume.

12. **What if I don't have a Social Security number or don't want to report it on the FFS?**
    It is not necessary to provide your Social Security number on the FFS. However, this number *is* required by the Pell Grant Program and you will not receive a Pell Grant until this number is provided.

13. **Is there any special consideration if I have brothers and sisters continuing their education beyond high school?**
    Yes. The expected parental contribution is adjusted for families with more than one child attending postsecondary schools.

14. **I plan to go to school half time. Will that lessen my chance for aid?**
    Almost all funds are available to students who attend school at least half time. Some institutions, however, give preference to full-time students.

15. **Even though I'm dependent, my parents will not provide any money for my education. What can I do?**
    Seek the assistance of the financial aid administrator at the school you wish to attend.

16. **My neighbor and I both applied for financial aid at the same school. Why did she get more aid than I did when they've got a bigger house than ours and her parents make more money than mine?**
    The circumstances in your neighbor's family may be different than they appear. What doesn't necessarily show are other factors, such as debts and medical expenses, which affect the computation of the family contribution.

17. **What happens if I provide inaccurate information and I'm caught?**
    If you use the FFS to apply for federal student aid funds and provide false information, you are subject to fines and/or imprisonment under the U.S. Criminal Code. State and local laws may also apply in such cases.

18. **I don't feel it is the school's right to request my U.S. tax forms. What happens if I don't submit them?**
    If you fail to comply with a request for U.S. tax forms, the school will probably discontinue processing your application for aid. It is their right to do so.

19. **How do I find out what our Parents' Contribution is?**
    Write the financial aid office at the schools that receive your ACT report. ACT provides this information to the financial aid office. The financial aid administrators may make adjustments to the figures provided on the basis of additional information they have. Or, you may request a copy of your need analysis calculation by entering code 7777 as a report request in FFS question 83 or SFAR Section J, and including the fee for an additional report.

20. **My parents can't afford the amount of money the college says they can. What can I do?**
    Ask the financial aid administrator about a Parent Loan. This loan may be used in place of the Parents' Contribution.

21. **I am applying for a Guaranteed Student Loan, and I already have filled out the FFS. Do I have to fill out a special need analysis form just for the loan?**
Check with your financial aid administrator. In most cases, the FFS is the only form you need to complete.

22. **You have calculated a Parents' Contribution of $2,000, but my sister and brother are going to schools that cost $6,000 already. My parents can't afford to give anything to me.**
Your parents should complete an FFS for each family member who will be in school. The information ACT provides the schools will take into account that there are three of you in school, and each of you may qualify for aid.

23. **Must I be accepted for admission before I apply for financial aid? Must I be admitted before I receive aid?**
You may apply for financial aid at the same time you apply for admission. However, you must actually enroll in school before you receive any assistance. Many schools require that you be admitted before they offer aid.

24. **Do I have to apply for financial aid every year?**
Yes. Your financial situation must be reassessed each year.

25. **I want to apply for a scholarship only. Do I have to fill out the FFS?**
To be sure, check with the financial aid office at the institution you are considering. However, most institutions require a need analysis for all financial aid.

26. **I was turned down for financial aid last year. Should I reapply?**
Yes. The financial circumstances of your family, as well as the cost of attending the institution, may have changed.

27. **What is the financial aid deadline for School X?**
The deadline will be printed in the school catalog. Generally, you may apply for financial aid at any time, but applying early insures consideration of your circumstances before all funds have been distributed.

28. **I missed the school's aid application deadline for fall. What should I do now?**
Most institutions have a priority deadline for financial aid applications. Depending on the funds they have available, some schools may be able to help late applicants in the winter or spring. Contact the financial aid office at the school to see if you should submit an FFS.

29. **I have to make an advance deposit at the school but I don't know what, if any, financial aid I'll receive. What can I do?**
Contact the financial aid office at the school. They may be able to tell you what chance you have of receiving aid.

30. **Can I qualify for aid even if I plan to go to school for half a year?**
Yes. Financial aid is normally available even if the student is planning to attend only one term during the year.

31. **Why did I receive a notice that I could receive $2,000 in aid at one school and $500 in aid at another?**
The difference in aid usually reflects the difference in cost of the two institutions. Regardless of the school you attend, the amount you and your parents are expected to contribute normally remains the same.

32. **Where do the schools get the money they are going to give me?**
Most funds available for financial aid are federal and state dollars. Some institutions also have their own or privately donated monies set aside for this purpose.

33. **I want to apply for a Pell Grant. How can I do that?**
To apply for a Pell Grant and no other financial assistance, you must use the Application for Federal Student Aid. However, if you want to apply for a Pell Grant and for other financial aid, you may use the FFS.

34. **What does it cost to apply for a Pell Grant?**
It costs nothing to apply for a Pell Grant whether you use the federal application or an FFS. However, when using the FFS, you must pay for reports you want sent to schools or agencies.

35. **What is a Student Aid Report? What do I do with it?**
The Student Aid Report (SAR) is sent to you by the U.S. Department of Education after they have processed your information. Check the information on the SAR for accuracy. If no corrections are necessary, send the SAR to the school's aid office, where your Pell Grant award will be calculated and your eligibility for other federal aid determined.

36. **Why can I get financial aid from an institution but I can't get any from the Pell Grant Program?**
The Pell Grant Program is intended to provide a base upon which all other aid is added. The qualifications for this program and other aid programs may differ.

II. THE FFS AND SFAR

37. **I can apply for a Pell Grant and other federal aid by filling out the Application for Federal Student Aid, and it won't cost me anything. Why does my school tell me I have to fill out an FFS, that I have to pay for?**
Colleges have the option to use the free federal form or a private agency form such as ACT's FFS, depending on which form best meets their information and service needs. Many colleges feel that ACT's need analysis reports and other financial aid services provide them with better information, in a more timely manner, than they can receive currently from the federal government.

38. **Is the FFS the only aid application I must fill out?**
Most institutions either require or accept the FFS and SDF for need analysis purposes. However, some institutions may require additional information and ask that you complete their aid application. Check with the school.

39. **How do I know which schools will accept the FFS?**
Check the ACT code list in your FFS instruction booklet. Institutions and agencies which participate in the ACT Student Need Analysis Service are listed alphabetically within each state.

40. **Where do I send the FFS?**
Return the FFS to ACT in Iowa City, Iowa, in the envelope provided with the FFS.

41. **Can I fold the FFS into a regular envelope?**
Please, do not fold the FFS into a regular envelope. Since the computers cannot deal with folded forms, your FFS will be significantly delayed while a clerk completes a duplicate FFS. Checks stapled or taped to the FFS may also cause delays. Include your check inside the FFS.

42. **Who sees the results of my need analysis?**
The only people who will see the information are the authorized personnel at the schools or agencies you have designated who are involved in awarding financial aid.

43. **How do I know if it's worth my time to fill out the FFS?**
Many factors contribute to the determination of "financial need," not the least of which is the cost of attending the institution. The ACT publication *Applying for Financial Aid* explains the need analysis process. There is no rule of thumb for knowing whether you are eligible. The best advice is to fill out the FFS, or contact your financial aid administrator.

44. **My parents don't read or write English. How can they fill out the FFS?**
Your school counselor, a financial aid counselor, or an Upward Bound counselor can assist them.

45. **How do I erase ovals and correct errors on the FFS?**
Be sure to erase the mistake completely and blacken the oval for the correct figure (or the zero oval). If this is not done, the erased oval may be read as your entry and you will have to pay for a correction.

46. **What if I want a report sent to a school not listed in the ACT code list?**
Contact the financial aid office at that school to see if the FFS is the form they want you to use. If so, ask for their ACT code number.

47. **Why do you ask for date of birth twice on the FFS (question 7 and question 79)?**
That is the identifier ACT uses to match pages 1 and 2 of the FFS with pages 3 and 4 during processing.

48. **Do people ever look at the FFS or is it handled only by machines?**
People do look at each FFS that comes to ACT, although the majority of the work is done by computers and scanners.

49. **How long does it take to process the FFS?**
Each FFS is processed as soon as it arrives at ACT. If you complete the FFS correctly, according to instructions, reports will be mailed within two weeks of the receipt of your FFS at ACT. If an FFS is not complete or if extra materials are included, a delay of up to two additional weeks is possible. At the time you receive an SFAR, your schools and agencies will be receiving their reports from ACT.

50. **Can I ask ACT to send reports to other schools after I have sent in the FFS?**
Yes. Use your SFAR for that purpose.

51. **After I mailed my FFS, I decided to send reports to more schools, and I don't want to wait until I receive my SFAR.**
You should use your SFAR, but in emergency situations do the following: send a letter to ACT and include the name, address, and ACT code number of the institution(s), your name, the address you used on the FFS, your Social Security number, and the academic year for which you are applying. Include the proper fee to cover the number of reports being requested: $4.00 for the first and $3.00 for each additional report.

52. **Have I missed the ACT deadline?**
ACT accepts FFSs for processing beginning January 1 for the following academic year. ACT will continue to process FFSs and corrections through the normal processing cycle. FFSs must be received by May 1, 1986, and SFARs must be received by May 30, 1986. This is noted on your FFS and in the instructions. However, the school to which you are applying may have a priority deadline for determining aid awards. Contact the school for its deadline.

53. **When I mailed my FFS, I forgot to enclose my check for the processing fee. What do I do now?**
Wait until ACT returns your FFS to you or fill out a new FFS and mail it with an enclosed check. Do not send your check separately. Your FFS will not be processed unless it is received with the fee.

54. **I know I put my school's code number on the FFS but they haven't received a report. What do I do now?**
Check your SFAR. Either the report was mailed and lost, in which case ACT will send another report at the request of the institution; you put down the wrong college code; or you did not send a sufficient fee. If the college name is correct, contact the aid office. If the name is incorrect, send your SFAR with the correct code number and $4.00 to ACT. A report will be sent to the school.

55. **The FFS instructions refer only to "colleges." I'm planning to attend a vocational-technical institute. Does that mean I'm not eligible for financial aid?**
ACT uses the term "college" to refer to a college, university, vocational or technical school, or any other school beyond high school.

56. **I know I filled out an FFS and sent it in, but I didn't hear from you and my college never heard from you and my address hasn't changed. What should I do?**
Look first for a cancelled check. If you have a cancelled check, contact ACT immediately. If you do not have a cancelled check, it is unlikely that ACT ever received your FFS; but call ACT to confirm nonreceipt. If ACT has not received your FFS, complete a new FFS, send it to ACT, and notify ACT that this is your second form because the first one was lost in the mail.

57. **I wanted the information from my FFS released to the U.S. Department of Education so I could be considered for a Pell Grant and for other federal programs, but I didn't give ACT permission to do that. Can I do it on the SFAR?**
Yes. You may list the U.S. Department of Education in Section J of your SFAR. Do not enclose a fee for that request, because it costs you nothing to release your data to the U.S. Department of Education.

58. **How should I fill out the FFS so I can get the most money?**
Honestly and accurately. The FFS system is designed to check the quality of the information submitted. It is a federal offense to make false statements or misrepresentations on this form if you are applying for federal funds.

59. **What happens if I submit misinformation on the FFS? Will anybody catch it?**
Although there are a number of cross-checks in the system, not every error will be detected. You should be aware, however, that there are penalties for intentional misrepresentation of information ranging from denial of aid to fines and imprisonment or both.

60. **Do I have to do anything with the SFAR if all the information is correct?**
You should keep it as a record of your application. You can also use it to request that additional reports be sent to other schools or agencies.

61. **You list School X in your code listing, but they told me they don't use the FFS, they use the Application for Federal Student Aid. I want my money back!**
If a school is listed on the ACT code list, it indicated in writing that it would accept the FFS. Therefore, ACT processed your form and sent it to them. ACT cannot refund your money since we have incurred the cost of processing.

62. **What do I do when I'm considered dependent and my parents won't provide any information and won't sign the FFS? Can someone else sign it?**
No one other than your parents may legally sign the FFS in this case. Unless they both provide the necessary financial information and sign the FFS, you cannot be considered for need-based aid. You should contact the financial aid administrator at the school you will attend to explore alternatives.

63. I'm poor. I don't think I should have to pay $6.00 for ACT to tell the school that. Do you have fee waivers?
No. The majority of students applying for financial aid are needy. Since the ACT service is supported by student fees, it is impossible to waive fees and have some needy students paying for other needy students' processing.

64. If the Application for Federal Student Aid is free, why isn't the FFS free?
Nothing is free. The cost of operating the Pell Grant and other federal programs is paid for by the federal government from taxpayers' monies. ACT is a nonprofit educational trust. The cost of its operations is paid for by the fees students send with their forms. There is never any charge to the student for releasing information to the U.S. Department of Education on the FFS, however. ACT receives reimbursement from the federal government for the cost of that service.

65. I need to make corrections on my SFAR. Will ACT notify the U.S. Department of Education of the corrections?
No. Wait to receive your Student Aid Report (SAR) from the U.S. Department of Education and follow those instructions for correcting the SAR.

66. I lost my SFAR. How do I make corrections?
Request a duplicate SFAR at a fee of $1.00. However, if you know precisely what corrections are needed, you can send a letter to ACT requesting the corrections. Be sure to include your name, your Social Security number, the name and code number of each school to receive a corrected report, the academic year for which you are applying, and the appropriate fee, which is $4.00 for the first report and $3.00 for each additional report.

67. I wrote ACT a letter explaining my circumstances and sent it with my FFS. Why didn't you note that on the SFAR?
When a letter which includes information that might affect your eligibility for aid is sent to ACT along with an FFS, ACT makes a note of it on the FFS and forwards the letter to the schools listed on the FFS. If the information does not affect your eligibility for aid, your letter is destroyed.

68. Should I send a letter of explanation with my FFS if my circumstances are unusual?
Correspondence should not be sent to ACT with your FFS, as it will only delay processing. Correspondence which explains your family's circumstances should be sent to the school you plan to attend.

69. Why is there a charge to correct a "rejected" FFS?
The fee you pay ACT for processing your FFS is meant to cover the costs ACT incurs in processing your form. If your FFS has been rejected, we have been unable to complete processing because you failed to provide essential information. ACT incurs extra costs to process your form again.

70. When will ACT send me my money?
ACT does not make awards or send money to students. ACT processes your FFS and sends need analysis reports to those schools and programs you listed in question 83. Those schools and programs will tell you how much aid you will receive.

71. The SFAR says there is no college for a code number that I listed. Now, ACT is going to charge me to send a report to the school when they have not sent the first report anywhere. Why?
ACT must process a new report for you. Since you made the error of putting the wrong code number on the FFS, ACT must charge for the correction. In this case, your correction fee will be only $1.00.

72. I completed a standard Student Data Form (SDF). Since I am going to school in a state that has a "special" SDF, should I have filled out one of those?
The Student Data Form you filed with the FFS is sent to the schools you have listed on the SDF. If any of those institutions require further information, they will contact you directly.

73. Do I fill out an SDF for each school I'm applying to?
Complete only one SDF and send it to ACT with your FFS. ACT will send a photocopy of your SDF to each school you have listed in question 1 of the SDF.

74. After I mailed my FFS, I realized I forgot to enclose my SDF. Can I just send it to ACT now?
No. Contact the schools that are supposed to receive your ACT reports, and ask if they want your SDF. If so, complete the SDF, make copies, and mail them directly to the schools.

75. Why does ACT charge for corrections? How much do you charge?
There are costs associated with correcting a student's record. ACT could either increase the original cost to all students or charge only those students who make corrections. ACT has chosen to keep the original FFS fees as low as possible for all students. The charge for corrections is $4.00 for the first school listed to receive a corrected report and $3.00 for each additional school.

76. What do I do with the SFAR when I receive it?
First, check the "Reports Sent To" section. Make sure the schools you wanted to receive a report are listed there. Pay particular attention to any messages from the schools. Second, read the comment section carefully. Third, check each item of information in Sections A-G for accuracy. The items are numbered the same as your FFS instructions. Last, follow the directions in Sections B and C on the back of your SFAR if you need to make corrections or request additional reports.

If corrections to your FFS are necessary, and if you have applied for federal aid, you must also send corrected information directly to the U.S. Department of Education, using the Student Aid Report (SAR).

III. DEPENDENCY STATUS

77. When is a student self-supporting?
According to federal guidelines, a self-supporting student is one who, for 1984 and 1985, has not/will not:

1. receive more than $750 in assistance from parents;
2. live with parents more than 6 weeks (42 days); or
3. be claimed as an exemption on the parents' U.S. income tax return.

If a student is married, the above three criteria need be met only for 1985. However, some colleges may require that married students meet the self-supporting criteria for both years when determining eligibility for nonfederal funds.

78. **Even though my parents buy me clothes and other things, they have never given me $750. Shouldn't I be independent?**
No. If your parents are providing any assistance (clothes, food, transportation, etc.) worth more than $750 in a year, it is assumed they are taking at least partial responsibility for your support. Your need analysis is then computed on the basis of your continued support as a family member.

79. **I live at home but I pay room and board. Can I answer "No" to the "Lived with Parents" question on the FFS (question 15)?**
No. If you are living with your parents, you should answer "yes" to that question regardless of the financial agreement. You should explain your situation to the financial aid administrator, who may be able to make an exception. (The financial aid administrator cannot make exceptions regarding a student's dependency status for the Pell Grant Program.) Normally, financial aid administrators try to determine if a true "landlord-tenant" relationship existed by determining whether realistic amounts were paid for these services and whether the parents reported such payments as taxable income on their tax forms.

80. **I live with my parents only when the school closes the dorms. Does that mean I'm dependent?**
Yes, if you meet any one of the dependency criteria. That is, for 1984 and 1985, you (1) were claimed on your parents' U.S. income tax, (2) lived with your parents for more than 6 weeks, or (3) received more than $750 assistance from your parents.

81. **My parents live with me. For dependency purposes, do I say I live with them?**
If your place of residence is in only your (and your spouse's) name, respond "no" to the question about living with parents. If your place of residence is in your parents' name, respond "yes" to that question.

82. **I am dependent on my spouse for support. Shouldn't I fill out the dependent section of the FFS?**
No. The need analysis considers both partners as a family unit. Both partners will benefit from the education.

83. **I just recently separated from my husband, and my children and I have moved home until I go to school this fall. Am I dependent or independent?**
By definition, if you live with your parents for more than 6 weeks, you are dependent. The financial aid administrator at your school may be able to make an exception, however, depending on the actual circumstances of your living at home and your dependence on parental support. ACT cannot make these subjective judgments.

84. **How do I complete the FFS if I am a foster child, a ward of the state, or supported by a group such as my church?**
A "parent" is defined as the natural or adoptive parent of a student. Guardians are considered parents for the purpose of the application only if a court has appointed them legal guardians and has directed them to support the student from their own financial resources. Read the FFS instructions for Section B for exact instructions on how to complete the form and whose information to use.

IV. STUDENT INFORMATION

85. **Am I expected to save money for school? How much?**
Though the amount varies from school to school, most schools expect students to save $700-$900 from their summer jobs to help pay their expenses. Check with the financial aid office at your school to find out how much they expect their students to save.

86. **I am going to look for a job when I arrive on campus for school, but I don't know how much I'll work or how much I'll earn. How do I estimate my earnings?**
You may estimate your earnings on the basis of your past experience in finding work if you have attended college before, or by figuring a certain number of work hours per week at minimum wage. If you are unable to even guess the amount you might earn, you may enter a zero. Notify the financial aid office, however, as soon as you find a job.

87. **About my state of legal residence (question 12): I am going to school in a neighboring state with a reciprocal tuition agreement. How do I fill out the FFS?**
Provide information for the state that is your legal residence.

88. **I give my veterans educational benefits (questions 76 and 77) to my parents because they are so poor. Do I have to report them on the FFS?**
Yes. Federal student aid regulations require that a student's veterans educational benefits be reported and considered in the analysis as a student resource.

89. **I have a trust set aside for me but I can't touch the money until I reach 21. Do I have to report it on the FFS?**
Yes. Trust funds must be reported since they represent your financial strength. Report the amount in "Other Real Estate and Investments."

90. **I am married but my spouse and I do not support each other. Our finances are completely separate. Why should my spouse's income be considered at all?**
All income received and expenses involved in supporting a married applicant's household are used. Again, it is assumed that both partners will benefit from the education and should contribute toward it.

91. **A friend and I maintain a household together, sharing all finances. Do I report my friend as a "spouse"?**
If you meet the criteria in your state for common-law marriage, you should report your friend as your spouse. Otherwise, do not.

92. **I am in prison and I have no earnings. What do I report on the FFS?**
Report zero earnings. Be sure, however, to include any allowances you may receive as taxable or untaxed income. Inform the financial aid administrator at your school of your situation.

V. PARENTAL INFORMATION

93. **How do I figure my income for 1984 from a U.S. tax return (question 52) if I haven't filed my tax return yet?**
The FFS instructions for question 52 include a worksheet for parents who have not yet completed a tax return. Use that to figure your income.

94. **I haven't filed my tax return yet. Why can't I use tax withheld from my W-2 form instead of tax paid?**
The amount of taxes withheld and reported on the W-2 form is rarely equal to what a person will actually have to pay. In order to perform an accurate analysis, exact figures on U.S. income taxes paid are needed. Providing actual figures may save a family the time and expense of verifying figures later on.

95. **Why are you figuring the analysis on last year's (1984) income when this year is when the money will be spent?**
Last year's income for most people is the best predictor for next year. Using the last taxable year's income makes it easier for parents to provide accurate information on the FFS. This also allows federal tax dollars to be distributed on the basis of something "real" rather than on an estimate.

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96. What is untaxed income?
Untaxed income is any income received that is not subject to U.S. income taxes. It includes Social Security and veterans benefits, welfare, child support, unemployment compensation, untaxed capital gains and pensions, military subsistence allowance, etc. In short, it is almost any income not reported on the U.S. income tax form. See the FFS instructions for question 61 for a list of types of untaxed income.

97. Since my parents had no income or assets, can I leave the parents' part of the FFS blank (Section F) or enter all zeros?
It is virtually impossible for anyone to live for a year without either having some sort of income or spending accumulated assets. If parents had no earnings or assets, they probably had untaxed income from Social Security, welfare, pensions, etc. However, if indeed your parents had no income or assets, enter zero. Then we know you didn't just forget to answer the question.

98. What do you mean when you ask for "elementary, junior high, and high school tuition paid" (question 63)? Can I include other costs like book fees?
These are costs the family paid for private or parochial school tuition for children other than the applicant. Do not report any amounts spent on anything other than tuition.

99. My father (or mother) recently died. How do I complete parents' income information?
Complete the FFS using the information for your surviving parent. If both parents are deceased, read the FFS instructions carefully about this. You may need to send a letter of explanation to the schools or agencies to which you are applying.

100. How do I report that my parents are also students?
Report that in question 49 on the FFS.

101. My dad is in the military. His state of legal residence is Texas, but we live in Kansas. What do we put on the FFS (question 46)?
Enter as your parents' state the state of legal residence, Texas.

102. How do I judge how much my home is worth (question 65)?
On the basis of real estate values in your area, estimate the amount you might be able to receive for your house if you were to sell it today. Real estate advertisements can be a helpful guide.

103. I am selling my house under contract. How do I report it?
Report as other real estate and investments (question 67) the total amount that is owed to you (principal and interest) under contract. Then report any debts you still owe on the property (question 68).

104. My house just burned down and the debt against it is greater than the value. Will ACT take that into consideration?
If your house has been damaged by fire or other causes, the value of the insurance settlement should either be added to its present value or deducted from the mortgage amount for reporting on the FFS. If there is no insurance or inadequate insurance so that the debt is greater than the value, report it that way and contact the financial aid administrator at your school.

105. I have a construction loan to build a house but the house is not worth anything right now. How do I report it on the FFS?
Report as home value the cost of the materials and labor invested in constructing the home to date plus the value of the land on which the home is being built. Report as home debt the amount that has actually been spent from the construction loan account, not the total amount of the loan.

106. My parents' assets and/or debts against those assets are too large to fit in the boxes on the FFS. What should I do?
Subtract the debt from the asset. Enter this remainder as "worth" and enter zeros as the debt. Contact the financial aid administrator at your school regarding the actual figures.

107. My parents own both a business and a farm. How do they fill out the FFS (questions 69 and 70)?
Your parents' share of farm and business assets should be added together and reported on the FFS; the same procedure should be followed with farm and business debts.

108. Where do my parents report farm or business tax deductions on the FFS? Should they be reported in itemized deductions?
Farm or busines tax deductions should not be reported on the FFS. These deductions have already been taken into account in figuring the farm income or loss that is reported on the Form 1040. Report information only from the U.S. income tax return according to the line references in the FFS instructions.

109. I am a foreign student. Do I report my parents' financial data in their currency or convert to U.S. dollars?
Report all financial data in U.S. dollars.

110. Do my stepparent's income and assets have to be reported on the FFS?
Your stepparent's income and assets should be added to your parent's income and assets and reported on the FFS if:

1. you did or will live with your stepparent (and parent) for six weeks or more during 1984 or 1985 or
2. you did or will receive financial assistance worth $750 or more from your stepparent in 1984 or 1985.

If neither of these conditions did or will exist, report only your parent's income and assets.

111. My parents are divorced. Which parent fills out the FFS?
The parent you lived with most during the last 12 months. If you didn't live with either parent, or if you lived with each parent an equal number of days, use the parent who provided the most support to you in the most recent calendar year that you were actually supported by a parent.

112. My parents cannot sign the FFS (for whatever reason). What should I do?
A high school counselor or college financial aid officer may sign in place of your parent, but only under one of the following conditions:

1. Your parent is not currently in the U.S.
2. The current address of your parent is not known.
3. Your parent has been determined mentally or physically unable to sign.

113. **My savings, cash, and checking vary day to day. What amount should I enter on the FFS (question 64 for parents)?**
Use the actual balance in your savings and checking accounts on the day you complete the FFS. By the same rule, the value of bonds, real estate, etc., should represent the sale or exchange value at the time you complete the FFS.

114. **My parents filed a joint U.S. income tax return. How do I answer the questions regarding income earned from work by father and mother?**
You must separate father's and mother's earnings and enter the amount earned by each of them in the questions that apply.

VI. CHANGES IN CIRCUMSTANCES

115. **My parents are changing their residence from in-state to out-of-state. Do I need to let anyone know?**
A change of address should be reported to the school you will attend. If you are attending a public school, this may affect your tuition classification.

116. **My parents' (or my) circumstances are going to change. Should I enter on the FFS what's true now, or what will be true?**
Enter what is true now. Where estimates are requested on the FFS (such as 1985 income), reflect what you expect to happen. Inform the financial aid office at the school of expected changes in circumstances.

In 1985, if you or your family will have a much lower income, or if there is a change in your family circumstances such as a death or divorce, you may be able to file a Special Condition form with the U.S. Department of Education. You may get that form from your high school counselor or financial aid officer.

117. **I will be married after school starts. How do I fill out the FFS?**
Fill out the FFS using your present marital status. Contact the financial aid office at the school you will attend to inform them of your plans. They will make adjustments to accommodate your changed status.

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GLOSSARY OF FINANCIAL AID TERMS

Adjusted Gross Income—A term used on the U.S. Income Tax Form 1040, 1040A, or 1040EZ to designate total taxable income after subtracting IRS allowable adjustments to income but before subtracting itemized deductions and the allowance for exemptions.

Application for Federal Student Aid—This form is completed by students and parents and sent to the U.S. Department of Education for processing. This form must be completed by students who are applying **only** for Pell Grants.

Assistance Needed—The amount of money a student needs, in addition to the expected family contribution, to attend a particular institution.

Auxiliary Loans to Assist Students (also known as Parent Loan Program)—A loan program in which parents, graduate students, and self-supporting undergraduate students can borrow from a bank or other lending institution.

College Work-Study Program (CWS)—Provides part-time jobs to assist students who need help to pay the expenses of higher education. Work-study jobs are awarded to the student by the institution's financial aid office.

Comprehensive Financial Aid Report (CFAR)—ACT's report to the institution. It contains all the information the student and family submitted on the FFS and a complete need analysis computation.

Dependent Students—Students who are at least partially dependent on their parents for support. Parents of dependent students must submit parental information on the FFS in order for the students to be considered for financial aid.

Family Financial Statement (FFS)—The form completed by students and parents and sent to ACT for processing. ACT analyzes the information and sends a complete report to institutions and agencies designated by the student.

Guaranteed Student Loan Program (GSL)—A loan program in which a student may borrow from a bank or other financial institution. The federal government will pay the interest on the loan while the student is in school.

National Direct Student Loan Program (NDSL)—Loans funded by the federal government and processed by the institution. The loans feature low interest rates and are repayable over an extended period of time.

Need Analysis—A technique used to estimate a student's need for financial assistance to help meet educational expenses. It consists of two major components: (1) estimating the family's ability to contribute to educational expenses, and (2) estimating the student's educational expenses.

Parents' Contribution—The amount a student's parents can be expected to contribute to their son's or daughter's education, on the basis of an analysis of their income and assets.

Pell Grant Program—Qualified students who enroll at least half time at an eligible institution of higher education, and who demonstrate financial need, may receive a Pell Grant of $1,900 minus his or her family financial contribution, or up to 50 percent of his or her need. Students can apply by filling out the Application for Federal Student Aid or, if they are also applying for other aid, the Family Financial Statement.

Self-Supporting Students—Students who are not dependent on their parents for financial support and need not submit parental information on the FFS. A self-supporting student must meet all the following qualifications for 1984 and 1985:

1. was not/will not be claimed by parents as a U.S. income tax exemption;
2. did not/will not live with parents more than 6 weeks during each year;
3. did not/will not receive more than $750 in assistance from parents.

Students who do not meet all of these qualifications are considered dependent.

Federal regulations allow a married student to be considered self-supporting if the student meets the above qualifications for 1985 only. However, some aid administrators may consider that student to be dependent for purposes of awarding nonfederal aid.

State Student Incentive Grants (SSIG)—Federal funds allocated to state scholarship and grant agencies to encourage expansion of state scholarship and grant programs. Undergraduate students with substantial financial need may receive these grants directly from a state agency or through an institution; awarding procedures vary from state to state.

Student Aid Index (SAI)—A number which represents the family's contribution according to the federal formula used to determine Pell Grant eligibility.

Student Aid Report (SAR)—This form is sent to the student by the U.S. Department of Education after they have processed information the student submitted to them on the Application for Federal Student Aid, Family Financial Statement, or other private agency form. It tells the student whether he/she is eligible for a Pell Grant and may be used by the institution to determine eligibility for other federal student aid.

Student Contribution (SC)—The amount a student may reasonably be expected to pay toward his or her educational expenses.

Student Data Form (SDF)—Part of the FFS packet. The SDF collects noncomputerized data needed by institutions and agencies to award financial aid. Students complete the SDF and send it to ACT with the FFS. ACT then sends copies to the institutions coded in question 1 on the SDF.

Student Expense Budget—The costs for a student to attend a specific institution. The budget includes either in-state or out-of-state tuition and fees, an amount for books and supplies, and maintenance costs (food, housing, transportation, clothing, personal/medical care, etc.).

Student Financial Aid Report (SFAR)—Sent to all families who file an FFS. It gives the student and parents an opportunity to check and, if necessary, correct or update the information originally submitted to ACT. Messages to the student from the institutions and agencies and from ACT are also printed.

Supplemental Educational Opportunity Grant Program (SEOG)—Federal funds made available through institutions to a limited number of undergraduate students with financial need.

Total Family Contribution—The sum of the Parents' Contribution and the Student Contribution. It is the total amount of money a family can be expected to contribute to the student's education.

ACT Student Assistance Services Support Materials for 1985-86

Materials Available Free of Charge

For Distribution to Groups or Individuals

Applying for Financial Aid. This tabloid explains application procedures and need analysis, gives an overview of aid programs, and contains a sample calculation that students and parents can use to get an idea of what their own need analysis would be. It is available in bulk supply and is particularly useful for group presentations.

For Display

ACT financial aid poster. This bright, attention-getting poster is designed to alert students to the fact that financial aid is available for those who need it.

For High School Guidance Personnel

A Counselor's Guide to Financial Aid. This guide provides an overview of need analysis, the ACT need analysis system, and sources of financial aid. It includes the answers to more than one hundred frequently asked questions about financial aid and a glossary of financial aid terms.

To order the above materials, use the ACT Student Assistance Services order card for 1985-86 award year materials.

Materials Available for a Fee

For Group Presentations to Students and Parents

Financing a Postsecondary Education. An introduction to financial aid, this audiovisual presentation explains the principles of need analysis, tells how to apply for financial aid, briefly describes the ACT Student Need Analysis Services, and identifies major sources of financial aid. It is available in either a slide or filmstrip format of 52 frames, and has a cassette-taped narration together with a printed version of the script. The filmstrip automatic change signal is 1000 Hz.

Explaining Student Financial Aid. This set of printed visuals includes a detailed explanation of how to complete the Family Financial Statement (FFS). A suggested text for narration appears on the back of each visual. The set can be made into thermocopied transparencies to use with an overhead projector.

To order the above materials, use the order form on the other side of this page.

ACT

Order Form — 1985-86 Academic Year

Please print or type. This is your mailing label.

Name

Title

Institution

Street Address

City State ZIP

ACT Code Number

Telephone Number

Code #	Materials	Quantity	Unit Cost	Total Cost
2013.5	*Financing a Postsecondary Education* (slide/cassette)		$35.00	
2014.5	*Financing a Postsecondary Education* (filmstrip/cassette)		$25.00	
2039.5	*Explaining Student Financial Aid* (paper visuals)		$3.00	
			Total	

P.O. and/or Check Number

Payment must accompany order. Make checks payable to ACT.

Send order form to:

Sandy Prohaska
ACT Student Assistance Services
Educational Services Division
P.O. Box 168
Iowa City, Iowa 52243
Telephone: 319/337-1040

FOR ACT USE ONLY

Date needed
Date to shipping
Date shipped
Via
Charges
Region Budget Code

The ACT Educational Services Division

To help high schools and colleges derive maximum benefits from their participation in ACT programs and services, the Educational Services Division maintains a staff of consultants located within a few hours' travel of any U.S. secondary school or college.

Each of ACT's consultants has had years of experience in the educational community, knows the full potential of ACT services, and can advise educational officials on local uses of ACT data. The help of these consultants is part of ACT's regular service to its clients, and is available at no cost or obligation.

Questions and comments about ACT services are always welcome. If you need additional ACT information or assistance, please write or call the ACT regional office that serves your state.

In order to expand and improve the support services provided to its users through the Educational Services Division field staff, ACT reorganized the regional office network during the 1983-84 academic year, increasing both personnel and operational resources in the field. The reorganization was completed during the summer of 1984.

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